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## FISCAL IMPACT REPORT

SPONSOR: Smith DATE TYPED: 03/18/03 HB \_\_\_\_\_

SHORT TITLE: License Plates for Search and Rescue Members SB 549/aHTC

ANALYST: Hayes

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$0.1	\$0.1	Recurring	Motor Vehicle Division, General Fund: \$10 per plate
	\$0.1	\$0.1	Recurring	State Road Fund: \$9.98 per plate
	\$0.1	\$0.1	Recurring	*Local Govts: \$5.02 per plate

(Parenthesis ( ) Indicate Revenue Decreases)

\*Local Government funds include distributions to various county general funds and roads funds, municipal road uses, and county and municipal general funds.

Relates to various specialty plates proposed by the House and Senate.

### SOURCES OF INFORMATION

Responses Received From  
 Taxation and Revenue Department (TRD)  
 State Highway and Transportation Department (SHTD)

### SUMMARY

#### Synopsis of HTC Amendments

The House Transportation Committee amendments to Senate Bill 549 focus on changing the request for developing a special license plate for search and rescue members to providing for a standardized special registration plate with a logo for search and rescue members. All references in the bill to the manufacture of a special license plate for search and rescue members are changed by amendment to read as “a standardized” plate or “a plate with a logo.”

During the 2003 session, approximately 20 license plate bills have been introduced, all request-

ing MVD to produce a specialty plate for their group or organization. While all such requests are worthy of consideration, the Motor Vehicle Division has neither the staff nor the funding to manufacture all of these specialty license plates. Recognizing this problem, the House Transportation Committee inserts a new section of the Motor Vehicle Code, Section 66-3-424 NMSA 1978, [NEW MATERIAL] **STANDARDIZED SPECIAL REGISTRATION PLATES WITH LOGOS:**

- A. *Standardized special registration plates with logos may be authorized by statute to show state support for worthy public purposes. The authorizing statute shall provide for collection of fees that, at a minimum, will cover the costs to the division of development, manufacture and issuance of the special registration plates and logos.*
- B. *Standardized special registration plates, on the standardized areas, shall:*
  - (1) *display the colors of the state flag, red lettering on a yellow background;*
  - (2) *display the phrases "New Mexico USA" and "Land of Enchantment";*
  - (3) *provide a space for applying the special registration logo, centered at the left edge of the plate, between the attachment holes, beginning one-fourth inch in from the edge of the plate and having the following dimension: four and one-eighth inches in height and three and one-eighth inches in width; and*
  - (4) *provide a vehicle registration number, to be assigned by the division, that consists of five alphanumeric characters displayed to the right of the special logo area.*
- C. *Special registration logos, except for the standard dimension specified in Paragraph (3) of Subsection B of this section, shall be left to the design discretion of the division, in consultation with the public purpose interest group that requests the special registration plate.*
- D. *Standardized special registration plates with logos, when authorized by statute for a particular public purpose interest group, shall meet the requirements specified in this subsection prior to plate issuance by the division. The public purpose interest group, no later than the effective date of the authorizing statute:*
  - (1) *shall provide evidence acceptable to the division that it will generate a minimum number of prepaid applications as determined by the division for the special registration plate with logo;*
  - (2) *shall provide a prepayment to the division in an amount sufficient to cover the plate and logo cost of the initial order;*
  - (3) *shall provide a sample of the requested artwork design in a format specified by the plate manufacturer for the specialized logo; and*
  - (4) *in cases where the authorizing statute includes revenue-sharing with distribution directed to a particular group or fund, shall show that the recipient is a governmental entity of a fund authorized for the use of a governmental entity.*
- E. *The division may promulgate rules for implementation of the provisions of this section.*

In summary, one standard license plate will be designed pursuant to subsection B above, which

will have a 3 x 4 inch rectangular space in the middle onto which a search and rescue logo or any specialized logo can be placed. The group wanting the specialty logo must prepay and guarantee a minimum order. The result will be that more specialty logos can be ordered and produced without adversely affecting MVD's budget.

Amendments #8-11 address the fee for the search and rescue plate with logo, along with its distribution. The fee is increased from \$15 to \$25, of which \$10 is to be retained by the Motor Vehicle Division to defray the costs of production and issuance of the search and rescue plate. The remaining \$15 shall be paid to the state treasurer for credit to the motor vehicle suspense fund for distribution in accordance with Section 66-6-23 NMSA 1978.

Lastly, amendment #13 changes the effective date of the bill. It now reads:

*Section 3. **EFFECTIVE DATE.**—Except for Section 1 of this act, the effective date of the provisions of this act is January 1, 2004. The effective date of the provisions of Section 1 of this act is July 1, 2003.*

#### Synopsis of Bill

Senate Bill 549 adds a new section to the Motor Vehicle Code, Section 66-3-424 in order to create a special design license plate for search and rescue member.

The effective date of the provisions of this act is July 1, 2003.

#### Significant Issues

1. A \$15 fee will be charged for the search and rescue member license plate in addition to the regular motor vehicle registration fees. Of the fifteen dollars, \$7 shall be retained and appropriated to the Taxation and Revenue Department Motor Vehicle Division for the manufacture and issuance of the license plate. The remaining \$8 would be deposited with the State Treasurer for credit to the Motor Vehicle Suspense Fund for distribution in accordance with Section 66-6-23 NMSA 1978 (see Revenue table on page 1).
2. Virtually all of the specialty license plate bills include language which requires proof of service or status as a pre-condition to acquiring specialty license plates. For example, the retired firefighter plate (SB 496), Armed Forces retirees (HB 75) and National Guard members (HB 520) require that documentation/proof be submitted to TRD as to one's profession, status, etc. This legislation does not require proof that someone is a search and rescue member.
3. Clarification is needed whether the bill applies only to volunteer search and rescue members or professional search and rescue members around the state.
4. In an emergency or crisis situation, it would be advantageous for search and rescue members to have such a license plate displayed on their vehicle so that they could easily proceed to an emergency scene or rescue operation and be identified immediately as an assistance provider without undue delay.

## FISCAL IMPLICATIONS

According to SB 549, the portion of the fee that MVD receives, \$7.00, represents an amount to cover the cost of the license plate. Typically, all specialty license plate legislation designates \$10 minimum to cover the cost of production since the revenue must cover design, artwork, sheeting and labor.

LFC could not obtain the number of search and rescue members in the State of New Mexico, so the level of demand for this license plate and therefore, the amount of revenue, could not be assessed. It is unclear whether the demand would outweigh the costs of manufacturing the search and rescue license plates given the lack of information on the number of search and rescue members.

## RELATIONSHIP

HB 75, Armed Forces Retirees Special License  
HB 201, Special Plates for Retired Firefighters (duplicate of SB 496)  
HB 378, Special Plates for Retired NM Letter Carriers  
HB 379, Special Plates for Letter Carriers  
HB 464, Special Plates for Retired State Police (duplicate of SB 210)  
HB 520, Special Plates for National Guard Members  
HB 566, Special Plates for Supporting Spayed Pets  
HB 602, Special Plates for Retired NM National Guard  
HB 635, Special Plates for NM Fraternal Order of Police  
HB 656, Special Plates for Wildlife Artwork  
HB 704, Special Plates for Civil Air Patrol, New Mexico Wing  
SB 197, License Plate for Active Duty Servicemen  
SB 210, License Plates for Retired State Police (duplicate of HB 464)  
SB 211, License Plates for NM Mail Carriers  
SB 493, Special Plates for NM HS Rodeo Association  
SB 496, Special Plates for Retired Firefighters (duplicate of HB 201)  
SB 622, Special Plates for Retired NM National Guard (duplicate of HB 602)

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